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CLERK US DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
BY KW DEPUTY

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

LOWELL LABERTEW, an individual; and SANDRA LABERTEW, an individual, Plaintiffs, vs. C&R FINANCIAL INC., an entity of unknown form; GOLDEN EMPIRE MORTGAGE, INC., dba CIB FUNDING, a California Corporation; RAYMOND JACOB ROSZKOWICZ, an individual; RICK WILKES, an individual; BEVERLEE WILKES, an individual; and DOES 1-10, inclusive, Defendants.	Case No.: 07cv2092W (LSP) FIRST AMENDED COMPLAINT FOR INJUNCTIVE RELIEF, DAMAGES, ACCOUNTING, AND TO QUIET TITLE RELATING TO VIOLATIONS OF THE HOME OWNERSHIP and EQUITY PROTECTION ACT; VIOLATIONS OF THE TRUTH IN LENDING ACT; VIOLATIONS OF THE CALIFORNIA ROSENTHAL ACT; VIOLATIONS OF THE CALIFORNIA FINANCE CODE; and **JURY DEMAND**

COMES NOW the plaintiffs, LOWELL LABERTEW and SANDRA LABERTEW (hereinafter "Plaintiffs"), as individuals alleging:

INTRODUCTION

1. This First Amended Complaint ("FAC") is filed under the Home Ownership and Equity Protection Act ("HOEPA"), 15 U.S.C. §1639 and the Truth In Lending Act ("TILA"), 15 U.S.C. §§1601, et seq. to enforce Plaintiffs' right to cancel a consumer credit transaction, to void the security interest in Plaintiffs' home, and to recover actual

ORIGINAL

and statutory damages, reasonable attorneys' fees and costs by reason of defendants, Rick Wilkes' and Beverlee Wilkes' (hereinafter collectively "Wilkes") violations of HOEPA, TILA, and Regulation Z, 12 C.F.R. §§226 et seq. ("Reg. Z"). Additionally, Plaintiffs seek actual and statutory damages, reasonable attorneys' fees and costs by reason of Wilkes' violations of the California Rosenthal Act, Cal. Civ. Code sections 1788 et seq. ("Rosenthal Act"). In addition, Plaintiffs seek actual and/or statutory damages, reasonable attorneys' fees and costs by reason of Defendants' violations of the California Finance Code §§ 4970 et seq. ("Fin. Code"). Furthermore, Plaintiffs seek damages for breach of fiduciary duty against defendants Golden Empire Mortgage, Inc., dba CIB Funding, C&R Financial Inc., and Raymond Jacob Roszkowicz.

JURISDICTION

2. Jurisdiction is conferred on this court by 15 U.S.C. 1640(e), 28 U.S.C §§ 1331, 1337 and by the doctrine of pendent jurisdiction. The Court has authority to issue a declaratory judgment by virtue of 28 U.S.C. § 2201.

COMMON ALLEGATIONS

3. At all times mentioned in this FAC, Plaintiffs were and are individuals residing in the County of San Diego, and were and are owners of that certain real property located in the County of San Diego and generally described as 4515 Diane Way, San Diego, California 92117 (the Real Property).

4. Plaintiffs are informed and believe and thereon allege that at all times mentioned in this FAC defendant Golden Empire Mortgage, Inc. was and is a California Corporation. Plaintiffs are further informed and believe and thereon allege that at all times mentioned in this FAC, defendant Golden Empire Mortgage, Inc. ("CIB") was doing business as CIB Funding. Plaintiffs are further informed and believe and thereon allege that at all times mentioned in this FAC, CIB was and is a "licensed person" as defined by Cal. Fin. Code § 4970(g) in the business of arranging, negotiating, or making consumer loans as defined by Cal. Fin. Code § 4970(h). Plaintiffs are further informed and believe and thereon allege that at all times mentioned in the FAC, CIB held the

California real estate salesperson license of Raymond Jacob Roszkowicz or employed Raymond Jacob Roszkowicz.

5. Plaintiffs are informed and believe and thereon allege that at all times mentioned in this FAC defendant C&R Financial Inc. ("C&R") was and is an entity of unknown form. Plaintiffs are further informed and believe and thereon allege that at all times mentioned in this FAC C&R was and is a "licensed person" as defined by Cal. Fin. Code § 4970(g) in the business of arranging, negotiating, or making consumer loans as defined by Cal. Fin. Code § 4970(h).

6. Plaintiffs are informed and believe and thereon allege that at all times mentioned in this FAC defendant RAYMOND JACOB ROSZKOWICZ ("RJR") was and is an individual doing business in the State of California. Plaintiffs are further informed and believe and thereon allege that at all times mentioned in this FAC RJR was and is a "licensed person" as defined by Cal. Fin. Code § 4970(g) in the business of arranging, negotiating, or making consumer loans as defined by Cal. Fin. Code § 4970(h).

7. Plaintiffs are informed and believe and thereon allege that at all times mentioned in this FAC defendants RICK WILKES and BEVERLEE WILKES were and are individuals in the business of originating consumer credit transactions described in TILA, and are creditors with the meaning of HOEPA in that they have originated at least one high-rate loan through a mortgage broker. Plaintiffs are further informed and believe and thereon allege that defendants Wilkes were and are involved in the collection of consumer debt thereby bringing them under the authority of the Rosenthal Act. Plaintiffs are informed and believe and thereon allege that at all times mentioned in this FAC defendants Wilkes were and are individuals doing business in the State of California. Plaintiffs are further informed and believe and thereon allege that at all times mentioned in this FAC Wilkes were and are in the business of arranging, negotiating, or making consumer loans as defined by Cal. Fin. Code § 4970(h).

8. The true names and capacities, whether corporate, individual or other, of the defendants sued as Does 1 through 10 are presently unknown to Plaintiffs who

therefore sue said defendants by such fictitious names. Plaintiffs will seek leave to amend this FAC to reflect the true names and capacities of said defendants when the same have been ascertained. Plaintiffs are informed and believe and thereon allege that each of said fictitiously named defendants is responsible in some manner for the acts complained of herein.

9. Plaintiffs are informed and believe that at all times mentioned in this FAC, each of the defendants was an officer, director, agent, employee, assignor, assignee or associate of each of their co-defendants, and was at all times acting within the scope of such capacity with the full knowledge and consent of each said co-defendant.

IV. COMMON FACTUAL ALLEGATIONS

10. Plaintiffs re-allege and incorporate the allegations in Paragraphs 1 through 9 above with the same force and effect as if herein set forth.

11. On or about October 2006, and within a year after Plaintiffs emerged from Chapter 13 bankruptcy, Plaintiffs were solicited by defendants CIB, C&R, and RJR, who offered to assist Plaintiffs in obtaining a loan secured by a second deed of trust against their primary residence. Plaintiffs are informed and believe and thereon allege that at all times mentioned in this FAC, defendant RJR was a California licensed real estate sales person working for CIB a California licensed real estate broker.

12. On or about October 30, 2006, Plaintiffs signed several documents presented to them by defendants CIB, C&R and RJR, including an Uniform Residential Loan Application, a Good Faith Estimate, a Truth-In-Lending Disclosure Statement, a Borrowers' Certification and Authorization, a Borrower Signature Authorization, and a Opting Out form. A copy with private information redacted, including social security numbers, of each document described above is herein attached and incorporated by reference as Exhibit "Comp. A".

13. On or about November 9, 2006, Plaintiffs entered into a consumer credit transaction ("Transaction") to refinance their principle dwelling/residence located at 4515 Diane Way, San Diego, California 92117 (the "Property"), by signing Transaction

document for a loan with defendants Wilkes, in the amount of Forty Five Thousand Fifteen Dollars and Ninety One Cents ($45,015.91), secured by a second deed of trust on Plaintiffs' residence. The purpose of the Transaction was primarily personal, family, or household in that it was going to bring Plaintiffs first mortgage current, and pay off an existing vehicle loan. The Transaction was a high rate mortgage within the meaning of HOEPA, 15 U.S.C. §§1602(aa)(1)(A) and (B) in that the loan provided for (1) an annual percentage of 18.776%, which exceeded more than 10 percentage points the yield on Treasury securities having comparable periods of maturity on the fifteenth day of the month immediately preceding the month in which the application for the extension of credit was received, and (2) the total points and fees payable by the consumer at or before closing was in excess of Forty Three Hundred Dollars ($4,300.00), which exceeded the greater of 8% of the total loan amount, or Four Hundred Dollars ($400.00). The Transaction was subject to a finance charge and was payable by written agreement in more than four installments. Furthermore, as described above, the loan was a "covered loan" within the meaning of Cal. Fin. Code §4970(b) and the loan was a "consumer loan" within the meaning of Cal. Fin. Code §4970(d). In addition, the Transaction was subject to a balloon payment in the amount of Forty Four Thousand Seventy One Dollars and Ninety Seven Cents ($44,071.97) upon the six month payment. When Plaintiffs told defendant RJR that they could not come up with that much money in six months, RJR represented that if Plaintiffs went through with the Transaction CIB, C&R, and RJR would assist them in improving their derogatory credit history and obtaining a refinance of the balloon payment when it came due in six months. Plaintiffs relied on these representations, which were false, and went through with the Transaction to their detriment.

14. On or about November 9, 2006, in the course of the Transaction, Plaintiffs did not receive required Transaction documents, including but not limited to two copies each of the Notice of Right to Cancel containing the date the cancellation period expires. In addition, specific disclosures required by HOEPA, 15 U.S.C. §1639(a) were

not provided to Plaintiffs in a timely manner as required by 15 U.S.C. §1639(b) and specific disclosures required by Cal. Fin. Code §4973(k) were not provided to Plaintiffs in a timely manner as required by Cal. Fin. Code §4973(k). Pursuant to 15 U.S.C. §1635 and Reg. Z, 226.15, failure to provide material disclosures extends Plaintiffs' right of rescission to three years.

15. On or about November 9, 2006, the only Transaction documents received by Plaintiffs were 1) a Good Faith Estimate (a copy of the Good Faith Estimate dated 11/08/2006 is herein attached and incorporated by reference as Exhibit "Comp. B-1"), 2) a Deed of Trust with Assignment of Rents (a copy of the Deed of Trust with Assignment of Rents dated November 8, 2006 is herein attached and incorporated by reference as Exhibit "Comp. B-2"), an Installment Note (Interest Only) (a copy of the Installment Note (Interest Only) dated November 8, 2006 is herein attached and incorporated by reference as Exhibit "Comp. B-3"), and an Addendum To Note Dated November 8, 2006 (a copy of the Addendum To Note Dated November 8, 2006 is herein attached and incorporated by reference as Exhibit "Comp. B-4").

16. On August 18, 2007, pursuant to 15 U.S.C. §1635, Plaintiffs rescinded the Transaction by sending the notice (Rescission Notice) as required by Regulation Z to defendants Wilkes. A copy of the Rescission Notice, along with the Certified Mail receipts showing delivery are herein attached and incorporated by reference as Exhibit "Comp. C".

17. On or about October 25, 2007, over two months after making demand thereof, Plaintiffs received from defendants Wilkes a copy of a Notice of Right of Rescission and Truth-In-Lending Disclosure Statement dated 11/08/2006, that Plaintiffs signed, but did not receive. The Notice of Right To Cancel provided to Plaintiffs on or about October 25, 2007 confirms that Plaintiffs were not given four copies of the Notice of Right of Rescission as required by TILA. A copy of the Notice of Right of Rescission provided to Plaintiffs on or about October 25, 2007 is herein attached and incorporated by reference as Exhibit "Comp. D-1" and a copy of the Truth-In-Lending Disclosure

Statement dated 11/08/2006 provided to Plaintiffs on or about October 25, 2007 is herein attached and incorporated by reference as Exhibit "Comp. D-2".

18. Unlike common law rescission, TILA requires that upon Plaintiffs' exercise of their right to rescind, and before Plaintiffs are required to tender, within 20 days after receipt of a notice of rescission, defendants Wilkes shall return to the Plaintiffs any money or property given as earnest money, down payment, or otherwise, and shall take any action necessary or appropriate to reflect the termination of any security interest created under the Transaction. More than twenty (20) days have elapsed since Plaintiffs' Rescission Notice was received by defendants Wilkes, and defendants Wilkes have failed and refused, and continue to fail and refuse, to perform any of the acts required by 15 U.S.C. §1635(b), and have instead continued their foreclosure proceedings and rescheduled a sale of the Real Property for January 30, 2008.

FIRST CAUSE OF ACTION
(TILA/HOEPA)

19. For a First Cause of Action against defendants Wilkes ONLY. Plaintiffs restate the allegations contained in Paragraphs 1 through 18.

COUNT ONE - Damages

20. This Transaction was subject to Plaintiffs' right of rescission as described by 15 U.S.C. § 1635 and Reg Z § 226.23 (12 C.F.R. §226.23)

21. Within one year of the filing of the Complaint, defendants Wilkes violated 15 U.S.C. § 1635(a) and Reg Z § 226.23(b) by failing to deliver to Plaintiffs disclosures required by TILA and HOEPA, including but not limited to four copies of a notice of right of rescission and the Section 32 Notice required by HOEPA.

22. Within one year of the filing of the Complaint, defendants Wilkes violated 15 U.S.C. §§ 1635(a), 1639, and Reg Z §§ 226.23(b) and 226.33 by failing to deliver to Plaintiffs all "material" disclosures required by TILA, HOEPA, and Reg Z.

23. Within one year of the filing of the Complaint, defendants Wilkes further violated 15 U.S.C. § 1639 and Reg Z § 226.32(d)(1)(i) by including a balloon payment, because the term of the loan is less than 5 years with a payment schedule with regular periodic payments that when aggregated do not fully amortize the outstanding principle balance. Within one year of the filing of the Complaint, defendants Wilkes further violated 15 U.S.C. § 1639 and Reg Z § 226.32(d)(6) by including a prohibited prepayment penalty that fails to fail within any exception.

24. Plaintiffs have a continuing right to rescind the Transaction, pursuant to 15 U.S.C. § 1635(a) and Reg Z § 226.23(a)(3), for up to three years after consummation of the transaction.

25. Plaintiffs rescinded the Transaction by sending a Rescission Notice to defendants Wilkes on August 18, 2007 via First Class Certified U.S. Mail, postage fully prepaid.

26. More than twenty (20) calendar days have elapsed since Plaintiffs' Rescission Notice was received by defendants Wilkes.

27. Defendants Wilkes have failed to take any action necessary or appropriate to reflect the termination of any security interest created under the Transaction, including the security interest as required by 15 U.S.C. §1635(b) and Reg Z § 226.23(d)(2).

28. As a result of the failure of defendants Wilkes to comply with the provisions of the TILA, HOEPA, and Reg Z, Plaintiffs are entitled to actual damages, statutory damages, enhanced damages, reasonable attorneys' fees and costs.

COUNT TWO-Rescission

29. On August 18, 2007, pursuant to 15 CFR 226.23, Plaintiffs rescinded the Transaction by sending the Rescission Notice to defendants Wilkes.

30. Defendants Wilkes failed to comply with the provisions of 12 CFR 226.23.

31. As a result of the failure of defendants Wilkes to comply with the provisions of the TILA, HOEPA, and Reg Z, Plaintiffs are entitled to a complete release from any obligation to defendants Wilkes and to expungement of the Deed of Trust recorded against Plaintiffs' real property.

32. As a further result of the failure of defendants Wilkes to comply with the provisions of the TILA, HOEPA, and Reg Z, Plaintiffs are entitled to:

(a) Rescission of the Transaction;

(b) Termination of any security interest in Plaintiffs' real property created under the transaction;

(c) Expungement of any Notice of Default and/or Notice of Trustee's Sale recorded against Plaintiffs' real property;

(d) Expungement of any derogatory information reported to any credit reporting bureau or agency;

(e) Return of any money or property given by Plaintiffs to anyone, including Defendants, in connection with the Transaction;

(f) Statutory damages of $2,000.00 for each violation of TILA, HOEPA, and the failure to respond properly to Plaintiffs' Rescission Notice;

(g) Enhanced damages for violating HOEPA in an amount equal to the sum of all finance charges and fees paid by the Plaintiffs;

(h) Forfeiture of return of loan proceeds;

(i) Actual damages in an amount to be determined at trial; and

(g) Costs and Reasonable attorney's fee.

SECOND CAUSE OF ACTION
(Quiet Title)

33. For a Second Cause of Action against the defendants Wilkes ONLY. Plaintiffs restate the allegations of Paragraphs 1 through 32.

34. Defendants Wilkes claim an interest adverse to Plaintiffs in the Property in the form of the trust deed recorded pursuant to the Transaction, and Plaintiffs are seeking to quiet title against the claims of defendants Wilkes under such trust deed.

35. Plaintiffs seek to quiet title as of November 9, 2006, the date Plaintiffs consummated the Transaction.

THIRD CAUSE OF ACTION
(Rosenthal Act)

36. For a Third Cause of Action against the defendants Wilkes ONLY. Plaintiffs restate the allegations of Paragraphs 1 through 18.

37. Plaintiffs are informed and believe and thereon allege that defendants Wilkes' actions constitute violations of the California Rosenthal Act in that they threatened to take actions, including but not limited to foreclosure, that are not permitted by law, engaged in harassment in an attempt to collect an alleged debt, increased the alleged debt by including amounts that are not permitted by law, and used unfair and unconscionable means in an attempt to collect an alleged debt.

38. As a direct result of said violations, Plaintiffs are entitled to statutory damages according to the determination of the court, and to actual damages according to proof.

FOURTH CAUSE OF ACTION
(Breach of Fiduciary Duty)

39. For a Fourth Cause of Action against the defendants CIB, C&R, and RJR Only. Plaintiffs restate the allegations of Paragraphs 1 through 18.

40. California law imposes on mortgage brokers, as fiduciaries, the same obligation of undivided service and loyalty that it imposes on a trustee in favor of a beneficiary.

41. Defendants CIB, C&R, and RJR owed Plaintiffs fiduciary duties of utmost loyalty, good faith and diligence and breached those duties by falsely representing to Plaintiffs that they would assist Plaintiffs in improving their credit scores and obtaining new refinance with better terms.

42. Defendants CIB, C&R, and RJR engaged in the conduct alleged herein for the purpose of advancing their own financial interest and in callous disregard of the foreseeable financial consequences to Plaintiffs.

43. Defendants CIB, C&R, and RJR failed to act diligently by failing to comply with applicable consumer protections intended to benefit Plaintiffs.

44. As a result of defendants CIB, C&R, and RJR's breach of their fiduciary duties to Plaintiffs, Plaintiffs have sustained damages to be proven at trial but not yet ascertained.

45. Defendants CIB, C&R, and RJR's conduct as alleged herein was a substantial factor in causing the damages sustained by Plaintiffs.

46. As a direct result of said violations, Plaintiffs are entitled to damages according to proof.

FIFTH CAUSE OF ACTION
(Violations of the Cal. Fin. Code §§ 4970 et seq.)

47. For a Fifth Cause of Action against All defendants. Plaintiffs restate the allegations of Paragraphs 1 through 18.

48. Plaintiffs are informed and believe and thereon allege that defendants willfully and knowingly violated Cal. Fin. Code § 4973 et seq. as follows:

48.1. Originating a covered loan with the prohibited provision of a term of 5 years or less and provided for a payment schedule with regular periodic payments that when aggregated do not fully amortize the principal balance as of the maturity date of the loan in the loan(Cal. Fin. Code sec. 4973(b)(1));

48.2. Originating a covered loan with the prohibited term under which periodic payments required under the loan are consolidated and paid in advance from the loan proceeds in the loan (Cal. Fin. Code sec. 4973(d));

48.3. Originating a covered loan that Defendants could not have reasonably believed that Plaintiffs would be able to make the scheduled payments to repay the obligation upon consideration of their then current and expected income and resources (Cal. Fin. Code sec. 4973(f)(1));

48.4. Originating a covered loan without providing to Plaintiffs, no later than 3 business days prior to signing the loan documents, the notice required by section 4973(k)(1); and

48.5. Defendants originated a covered loan that finances points and fees in excess of one thousand dollars or 6 percent of the original principal balance, exclusive of points and fees, whichever was greater (Cal. Fin. Code sec. 4979.6).

49. As a direct result of said violations, Plaintiffs are entitled to actual damages and/or statutory damages of not less than $15,000.00 according to proof, reasonable attorneys' fees and costs.

50. Plaintiffs are informed and believe and thereon allege that Defendants are guilty of malice, fraud or oppression as defined in Cal. Civil Code §3294, and Defendants actions were malicious and done willfully in conscious disregard of the rights and safety of plaintiffs in that they were calculated to injure plaintiffs. Therefore, Plaintiffs are entitled to recover, in addition to actual damages, punitive damages to make an example of and to punish Defendants.

SIXTH CAUSE OF ACTION

(Fraud)

51. For a Sixth Cause of Action against defendants C&R and RJR ONLY. Plaintiffs restate the allegations of Paragraphs 1 through 18.

52. Defendants C&R, through RJR made several representations to Plaintiffs regarding important facts. These representations included, without limitation:

- If Plaintiffs closed the Transaction, defendants C&R and RJR would assist Plaintiffs in improving their derogatory credit history; and
- If Plaintiffs closed the Transaction, defendants C&R and RJR would assist Plaintiffs in obtaining a refinance of the balloon payment when it came due.

53. All of these representations by defendants C&R and RJR were false.

54. Defendants C&R and RJR knew that these representations were false when the representations were made, or these representations were made with reckless disregard for the truth.

55. Defendants C&R and RJR intended that Plaintiffs rely on these representations.

56. Plaintiffs reasonably relied upon defendants C&R and RJR's representations, as Plaintiffs understood them to represent Plaintiffs as their mortgage broker.

57. As a result of such reliance, Plaintiffs were harmed.

58. Plaintiffs' reliance upon defendants C&R and RJR's representations were a substantial factor in causing Plaintiffs' harm.

59. Defendants C&R and RJR are guilty of malice, fraud or oppression as defined in Civil Code §3294, and defendants C&R and RJR's actions were malicious and done willfully in conscious disregard of the rights and safety of plaintiffs in that they were calculated to injure Plaintiffs. As such, Plaintiffs are entitled to recover, in addition to actual damages, punitive damages to make an example of and to punish defendants C&R and RJR.

WHEREFORE, it is respectfully prayed that this Court:

ON THE FIRST CAUSE OF ACTION:

1. Assume jurisdiction of this case;
2. Declare the security interest in Plaintiffs' Property void;
3. Cancel the Transaction;
4. Order defendants Wilkes to take all action necessary to terminate any security interest in Plaintiffs' Property created under the transaction and that the Court declare all such security interests void, including but not limited to the mortgage related to the Transaction;
5. Order the return to Plaintiffs of any money or property given by Plaintiffs to anyone, including Defendants, in connection with the Transaction;
6. Enjoin Defendants during the pendency of this action, and permanently thereafter, from instituting, prosecuting, or maintaining foreclosure proceedings on the Plaintiffs' property, from recording any deeds or mortgages regarding the property or from otherwise taking any steps to deprive Plaintiffs of ownership of that Property;
7. Award Plaintiffs statutory damages for defendants Wilkes violations of TILA, HOEPA and failure to respond properly to Plaintiffs' Rescission Notice, in an amount of equal to the sum of all finance charges and fees paid by Plaintiffs, in addition to $2,000 per violation as provided by TILA and HOEPA;
8. Order that, because defendants Wilkes failed to properly respond to Plaintiffs' NRTC and later offer of tender, Plaintiffs have no duty to tender, but in the alternative, if tender is required, determine the amount of the tender obligation

in light of all the Plaintiffs' claims, and order Defendants to accept tender on reasonable terms and/or over a reasonable period of time.

9. Award of actual damages in an amount to be established at trial;

10. Award Plaintiffs costs and reasonable attorney's fees as provided under 15 U.S.C. §1640(a);

11. Award such other and further relief as the Court deems just and proper.

ON THE SECOND CAUSE OF ACTION:

12. For an order quieting title in and to the Real Property in Plaintiffs, free from any encumbrance, lien or cloud on title created as a result of the Transaction.

ON THE THIRD CAUSE OF ACTION:

13. Actual damages, including but not limited to emotional distress;

14. For statutory damages of $1,000.00 for each violation;

15. Award Plaintiff costs and reasonable attorney's fees as provided under Cal. Civ. Code section 1788.30(c);

16. Award such other and further relief as the Court deems just and proper.

ON THE FOURTH CAUSE OF ACTION:

17. Actual damages in an amount to be established at trial;

18. Award such other and further relief as the Court deems just and proper.

ON THE FIFTH CAUSE OF ACTION:

19. Actual/Statutory damages in an amount to be established at trial, but not less than $15,000.00 as set forth in Cal. Fin. Code section 4978;

20. Award Plaintiffs costs and reasonable attorney's fees as provided under Cal. Fin. Code section 4978;

21. Punitive damages pursuant to Cal. Civ. Code sec. 3294;

22. Award such other and further relief as the Court deems just and proper.

ON THE SIXTH CAUSE OF ACTION:

23. Actual damages according to proof;

24. Punitive damages pursuant to Cal. Civ. Code sec. 3294;

25. Award such other and further relief as the Court deems just and proper.

ON ALL CAUSES OF ACTION:

26. For costs of suit incurred herein;

27. For reasonable attorneys fees permitted by contract or statute; and,

28. For such other and further relief as this court may deem just and proper.

Dated: 12/19/07

/s/ Deborah L. Raymond

DEBORAH L. RAYMOND, Attorney for plaintiffs, LOWELL LABERTEW AND SANDRA LABERTEW

DEMAND FOR JURY TRIAL

PLAINTIFFS, LOWELL LABERTEW and SANDRA LABERTEW, hereby demand a jury trial as provided by Rule 38(a) of the Federal Rules of Civil Procedure.

Dated: 12/19/07

/s/ Deborah L. Raymond

DEBORAH L. RAYMOND, Attorney for plaintiffs, LOWELL LABERTEW AND SANDRA LABERTEW

GOOD FAITH ESTIMATE

Applicants: Lowell Labertew / Sandra Labertew
Property Addr: 4515 Diane Way, San Diego, CA 92117
Prepared By: C&R FINANCIAL INC Ph. 951-757-2182
34148 SAN SEBASTIAN AVE, Murrieta, CA 92563

Application No: RRLABERTEW
Date Prepared: 10/26/2006
Loan Program:

The information provided below reflects estimates of the charges which you are likely to incur at the settlement of your loan. The fees listed are estimates-actual charges may be more or less. Your transaction may not involve a fee for every item listed. The numbers listed beside the estimates generally correspond to the numbered lines contained in the HUD-1 settlement statement which you will be receiving at settlement. The HUD-1 settlement statement will show you the actual cost for items paid at settlement.

Total Loan Amount $ 43,265 Interest Rate: 12.990 % Term 360 / 6 mths

800	ITEMS PAYABLE IN CONNECTION WITH LOAN:			PFC S F POC
801	Loan Origination Fee	+ $ 2,933.00	$ 2,933.00	
802	Loan Discount			
803	Appraisal Fee			
804	Credit Report		17.00	
805	Lender's Inspection Fee			
808	Mortgage Broker Fee			
809	Tax Related Service Fee			
810	Processing Fee		695.00	✓
811	Underwriting Fee			✓
812	Wire Transfer Fee			
	Doc Fee		600.00	✓
				✓

1100	TITLE CHARGES:		PFC S F POC
1101	Closing or Escrow Fee	$ 400.00	
1105	Document Preparation Fee		
1106	Notary Fees		
1107	Attorney Fees		
1108	Title Insurance	365.00	

1200	GOVERNMENT RECORDING & TRANSFER CHARGES:		PFC S F POC
1201	Recording Fees	$ 75.00	
1202	City/County Tax/Stamps		
1203	State Tax/Stamps		

1300	ADDITIONAL SETTLEMENT CHARGES:		PFC S F POC
1302	Pest Inspection	$	

Estimated Closing Costs 4,976.00

900	ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE:			PFC S F POC
901	Interest for 16 days @ $ 15.6115 per day		$ 234.17	
902	Mortgage Insurance Premium			
903	Hazard Insurance Premium			
904				
905	VA Funding Fee			

1000	RESERVES DEPOSITED WITH LENDER:			PFC S F POC
1001	Hazard Insurance Premiums	months @ $ 62.00 per month	$	
1002	Mortgage Ins. Premium Reserves	months @ $ per month		
1003	School Tax	months @ $ per month		
1004	Taxes and Assessment Reserves	months @ $ 82.59 per month		
1005	Flood Insurance Reserves	months @ $ per month		
		months @ $ per month		
		months @ $ per month		

Estimated Prepaid Items/Reserves 234.17

TOTAL ESTIMATED SETTLEMENT CHARGES 5,209.17

TOTAL ESTIMATED FUNDS NEEDED TO CLOSE:			
Purchase Price/Payoff (+)	36,659.00	New First Mortgage(-)	
Loan Amount (-)	43,265.00	Sub Financing(-)	
Est. Closing Costs (+)	4,976.00	New 1st Mtg Closing Costs(+)	
Est. Prepaid Items/Reserves (+)	234.17		
Amount Paid by Seller (-)			
Total Est. Funds to you			1,396.83

TOTAL ESTIMATED MONTHLY PAYMENT:	
Principal & Interest	3,509.00
Other Financing (P & I)	468.34
Hazard Insurance	62.00
Real Estate Taxes	82.59
Mortgage Insurance	
Homeowner Assn. Dues	
Other	
Total Monthly Payment	4,121.93

These estimates are provided pursuant to the Real Estate Settlement Procedures Act of 1974, as amended (RESPA). Additional information can be found in the HUD Special Information Booklet, which is to be provided to you by your mortgage broker or lender, if your application is to purchase residential real property and the lender will take a first lien on the property. The undersigned acknowledges receipt of the booklet "Settlement Costs," and if applicable the Consumer Handbook on ARM Mortgages.

[signature]	10/31/06	*[signature]*	10/30/06
Applicant Lowell Labertew	Date	Applicant Sandra Labertew	Date

Calyx Form gfe2.frm 11/01

EXHIBIT "COMP.-A"

TRUTH-IN-LENDING DISCLOSURE STATEMENT

(THIS IS NEITHER A CONTRACT NOR A COMMITMENT TO LEND)

Applicants:	Lowell Labertew Sandra Labertew	Prepared By:	C&R FINANCIAL INC 34148 SAN SEBASTIAN AVE Murrieta, CA 92563 951-757-2182
Property Address:	4515 Diane Way San Diego, CA 92117		
Application No:	RRLABERTEW	Date Prepared:	10/26/2006

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	AMOUNT FINANCED	TOTAL OF PAYMENTS
The cost of your credit as a yearly rate	The dollar amount the credit will cost you	The amount of credit provided to you or on your behalf	The amount you will have paid after making all payments as scheduled
• 18.821 %	$ • 4,006.04	$ • 42,070.00	$ • 46,076.04

☐ REQUIRED DEPOSIT: The annual percentage rate does not take into account your required deposit

PAYMENTS: Your payment schedule will be:

Number of Payments	Amount of Payments **	When Payments Are Due Monthly Beginning	Number of Payments	Amount of Payments **	When Payments Are Due Monthly Beginning	Number of Payments	Amount of Payments **	When Payments Are Due Monthly Beginning
6	468.34	12/01/2006						
1	43,733.34	06/01/2007						

☐ DEMAND FEATURE: This obligation has a demand feature.

☐ VARIABLE RATE FEATURE: This loan contains a variable rate feature. A variable rate disclosure has been provided earlier.

CREDIT LIFE/CREDIT DISABILITY: Credit life insurance and credit disability insurance are not required to obtain credit, and will not be provided unless you sign and agree to pay the additional cost.

Type	Premium	Signature	
Credit Life		I want credit life insurance.	Signature:
Credit Disability		I want credit disability insurance.	Signature:
Credit Life and Disability		I want credit life and disability insurance.	Signature:

INSURANCE: The following insurance is required to obtain credit:

☐ Credit life insurance ☐ Credit disability ☐ Property insurance ☐ Flood insurance

You may obtain the insurance from anyone you want that is acceptable to creditor

☐ If you purchase ☑ property ☐ flood insurance from creditor you will pay $ for a one year term.

SECURITY: You are giving a security interest in: 4515 Diane Way, San Diego CA 92117

☐ The goods or property being purchased ☑ Real property you already own.

FILING FEES: $ 60.00

LATE CHARGE: If a payment is more than 5 days late, you will be charged 6.000 % of the payment

PREPAYMENT: If you pay off early, you

☑ may ☐ will not have to pay a penalty.

☐ may ☑ will not be entitled to a refund of part of the finance charge.

ASSUMPTION: Someone buying your property

☐ may ☐ may, subject to conditions ☑ may not assume the remainder of your loan on the original terms

See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date and prepayment refunds and penalties

☑ * means an estimate ☑ all dates and numerical disclosures except the late payment disclosures are estimates.

* * NOTE: The Payments shown above include reserve deposits for Mortgage Insurance (if applicable), but exclude Property Taxes and Insurance.

THE UNDERSIGNED ACKNOWLEDGES RECEIVING A COMPLETED COPY OF THIS DISCLOSURE.

[signature] 11/31/06

Lowell Labertew (Applicant) (Date)

[signature] 10/30/06

Sandra Labertew (Applicant) (Date)

(Applicant) (Date)

(Applicant) (Date)

(Lender) (Date)

Calyx Form - til.hp (02/95)

EXHIBIT "COMP.-A"

Borrowers' Certification and Authorization

CERTIFICATION

The Undersigned certify the following:

1. I/We have applied for a mortgage loan through C&R FINANCIAL INC. In applying for the loan, I/We completed a loan application containing various information on the purpose of the loan, the amount and source of the down payment, employment and income information, and the assets and liabilities. I/We certify that all of the information is true and complete. I/We made no misrepresentations in the loan application or other documents, nor did I/We omit any pertinent information.

2. I/We understand and agree that C&R FINANCIAL INC reserves the right to change the mortgage loan review processes to a full documentation program. This may include verifying the information provided on the application with the employer and/or the financial institution.

3. I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements when applying for this mortgage, as applicable under the provisions of Title 18, United States Code, Section 1014.

AUTHORIZATION TO RELEASE INFORMATION

To Whom It May Concern:

1. I/We have applied for a mortgage loan through C&R FINANCIAL INC. As part of the application process, C&R FINANCIAL INC and the mortgage guaranty insurer (if any), may verify information contained in my/our loan application and in other documents required in connection with the loan, either before the loan is closed or as part of its quality control program.
2. I/We authorize you to provide to C&R FINANCIAL INC and to any investor to whom C&R FINANCIAL INC may sell my mortgage, any and all information and documentation that they request. Such information includes, but is not limited to, employment history and income; bank, money market and similar account balances; credit history; and copies of income tax returns.
3. C&R FINANCIAL INC or any investor that purchases the mortgage may address this authorization to any party named in the loan application.
4. A copy of this authorization may be accepted as an original.

Borrower Signature: [signature]
Lowell Labertew

SSN: [redacted] Date: 10/30/06

Co-Borrower Signature: [signature]
Sandra Labertew

SSN: [redacted] Date: 10/30/06

Calyx Form - borcera.frm (12/05)

EXHIBIT "COMP.-A"

Uniform Residential Loan Application

ɔn is designed to be completed by the applicant(s) with the Lender's assistance. Applicants should complete this form as "Borrower" or "Co-Borrower", as ɔ-Borrower information must also be provided (and the appropriate box checked) when ☐ the income or assets of a person other than the "Borrower" Borrower's spouse) will be used as a basis for loan qualification or ☐ the income or assets of the Borrower's spouse or other person who has community s pursuant to state law will not be used as a basis for loan qualification, but his or her liabilities must be considered because the spouse or other person ty property rights pursuant to applicable law and Borrower resides in a community property state, the security property is located in a community property 3orrower is relying on other property located in a community property state as a basis for repayment of the loan.

ɔplication for joint credit, Borrower and Co-Borrower each agree that we intend to apply for joint credit (sign below):

______________________ Co-Borrower ______________________

I. TYPE OF MORTGAGE AND TERMS OF LOAN

☐ VA ☑ Conventional ☐ Other (explain): | Agency Case Number | Lender Case Number

☐ FHA ☐ USDA/Rural Housing Service

	Interest Rate	No. of Months	Amortization Type:	
43,265	12.990 %	360/6	☐ Fixed Rate ☐ GPM	☐ Other (explain): ☑ ARM (type): 2/28

II. PROPERTY INFORMATION AND PURPOSE OF LOAN

ɔerty Address (street, city, state, & ZIP) — No. of Units: 1

ɛ Way, San Diego, CA 92117 County: San Diego

iption of Subject Property (attach description if necessary) — Year Built: 1963

.oan ☐ Purchase ☐ Construction ☐ Other (explain):
☑ Refinance ☐ Construction-Permanent

Property will be: ☑ Primary Residence ☐ Secondary Residence ☐ Investment

his line if construction or construction-permanent loan.

Original Cost	Amount Existing Liens	(a) Present Value of Lot	(b) Cost of Improvements	Total (a+b)
$	$	$	$	$

his line if this is a refinance loan.

Original Cost	Amount Existing Liens	Purpose of Refinance	Describe Improvements ☐ made ☐ to be made
$	$		Cost: $

held in what Name(s): ɔertew / ıbertew

Manner in which Title will be held: Joint tenants

Estate will be held in: ☑ Fee Simple ☐ Leasehold (show expiration date)

ɔown Payment, Settlement Charges and/or Subordinate Financing (explain)
m Subject Property

III. BORROWER INFORMATION

Borrower	Co-Borrower
Name (include Jr. or Sr. if applicable): ɔertew	Co-Borrower's Name (include Jr. or Sr. if applicable): Sandra Labertew
ɪrity Number: — Home Phone (incl. area code): 858- — DOB (mm/dd/yyyy): 03/01/1939 — Yrs. School: 16	Social Security Number: — Home Phone (incl. area code): 858 — DOB (mm/dd/yyyy): 03/18/1942 — Yrs. School: 13
☐ Unmarried (include single, divorced, widowed) — ɛd — Dependents (not listed by Co-Borrower) no. 0 ages 0	☑ Married ☐ Separated ☐ Unmarried (include single, divorced, widowed) — Dependents (not listed by Borrower) no. 0 ages 0
ɪdress (street, city, state, ZIP) ☑ Own ☐ Rent 42 No. Yrs. — ɛ Way — ɔ, CA 92117	Present Address (street, city, state, ZIP) ☑ Own ☐ Rent 42 No. Yrs. — 4515 Diane Way — San Diego, CA 92117
ɪress, if different from Present Address	Mailing Address, if different from Present Address

at present address for less than two years, complete the following:

ɪress (street, city, state, ZIP) ☐ Own ☐ Rent ____ No. Yrs.	Former Address (street, city, state, ZIP) ☐ Own ☐ Rent ____ No. Yrs.
ɪress (street, city, state, ZIP) ☐ Own ☐ Rent ____ No. Yrs.	Former Address (street, city, state, ZIP) ☐ Own ☐ Rent ____ No. Yrs.

EXHIBIT "COMP.-A"

IV. EMPLOYMENT INFORMATION

Borrower			Co-Borrower		
Name & Address of Employer: Progressive Technologies, 9050 56th Unit B, Riverside, CA 92509	☐ Self Employed	Yrs. on this job: 0 yr(s) 1 mth(s); Yrs. employed in this line of work/profession: 30	Name & Address of Employer: Wenthur & Chachas LLP, 4180 La Jolla Village Dr, La Jolla, CA 92037	☐ Self Employed	Yrs. on this job: 8 yr(s) 7 mth(s); Yrs. employed in this line of work/profession: 16
Position/Title/Type of Business: Vp of Quality	Business Phone (incl. area code):		Position/Title/Type of Business: Legal Secretary	Business Phone (incl. area code): 858-	

If employed in current position for less than two years or if currently employed in more than one position, complete the following:

Borrower			Co-Borrower		
Name & Address of Employer: Corsair Electrical Connectors, 22642 Lamberte St # 407, Lake Forest, CA 92630	☐ Self Employed	Dates (from-to): 06/01/2004 - 12/19/2005; Monthly Income: $	Name & Address of Employer:	☐ Self Employed	Dates (from-to): ; Monthly Income: $
Position/Title/Type of Business: Vp Of Quality	Business Phone (incl. area code): 949-445-0273		Position/Title/Type of Business:	Business Phone (incl. area code):	
Name & Address of Employer: Sceptre Electronics Eng LLC, 22661 Lamberte St, Lake Forest, CA 92630	☐ Self Employed	Dates (from-to): 11/01/2000 - 06/01/2004; Monthly Income: $ Varied	Name & Address of Employer:	☐ Self Employed	Dates (from-to): ; Monthly Income: $
Position/Title/Type of Business: President	Business Phone (incl. area code):		Position/Title/Type of Business:	Business Phone (incl. area code):	
Name & Address of Employer:	☐ Self Employed	Dates (from-to): ; Monthly Income: $	Name & Address of Employer:	☐ Self Employed	Dates (from-to): ; Monthly Income: $
Position/Title/Type of Business:	Business Phone (incl. area code):		Position/Title/Type of Business:	Business Phone (incl. area code):	
Name & Address of Employer:	☐ Self Employed	Dates (from-to): ; Monthly Income: $	Name & Address of Employer:	☐ Self Employed	Dates (from-to): ; Monthly Income: $
Position/Title/Type of Business:	Business Phone (incl. area code):		Position/Title/Type of Business:	Business Phone (incl. area code):	

V. MONTHLY INCOME AND COMBINED HOUSING EXPENSE INFORMATION

Gross Monthly Income	Borrower	Co-Borrower	Total	Combined Monthly Housing Expense	Present	Proposed
Base Empl. Income*	$ 2,950.00	$ 2,560.00	$ 5,510.00	Rent	$	
Overtime				First Mortgage (P&I)	2,848.38	$ 3,509.00
Bonuses				Other Financing (P&I)	2,345.55	468.34
Commissions				Hazard Insurance	62.00	62.00
Dividends/Interest				Real Estate Taxes	82.59	82.59
Net Rental Income				Mortgage Insurance		
Other (before completing, see the notice in "describe other income," below)	2,048.00		2,048.00	Homeowner Assn. Dues		
				Other:		
Total	$ 4,998.00	$ 2,560.00	$ 7,558.00	Total	$ 5,338.52	$ 4,121.93

* Self Employed Borrower(s) may be required to provide additional documentation such as tax returns and financial statements.

Describe Other Income *Notice:* Alimony, child support, or separate maintenance income need not be revealed if the Borrower (B) or Co-Borrower (C) does not choose to have it considered for repaying this loan.

B/C		Monthly Amount
B	Social Security/Disability Income ($1639 X 125% = $2048)	$ 2,048.00

EXHIBIT "COMP.-A"

VI. ASSETS AND LIABILITIES

This Statement and any applicable supporting schedules may be completed jointly by both married and unmarried Co-borrowers if their assets and liabilities are sufficiently joined so that the Statement can be meaningfully and fairly presented on a combined basis; otherwise, separate Statements and Schedules are required. If the Co-Borrower section was completed about a non-applicant spouse or other person, this Statement and supporting schedules must be completed by that spouse or other person also.

Completed ☑ Jointly ☐ Not Jointly

ASSETS Description	Cash or Market Value
Cash deposit toward purchase held by:	$
List checking and savings accounts below	
Name and address of Bank, S&L, or Credit Union Pacific Trust Bank	
Acct. no. :3	$ 150
Name and address of Bank, S&L, or Credit Union Pacific Trust Bank	
Acct. nc 174	$ 1,900
Name and address of Bank, S&L, or Credit Union US Bank	
Acct. no. 53	$ 1,500
Stocks & Bonds (Company name/number description)	$
Life insurance net cash value Face amount $	$
Subtotal Liquid Assets	$ 3,550
Real estate owned (enter market value from schedule of real estate owned)	$ 650,000
Vested interest in retirement fund	$
Net worth of business(es) owned (attach financial statement)	$
Automobiles owned (make and year) 2003 F150 1999 Explorer	$ 20,000 8,200
Other Assets (itemize)	$
Total Assets a.	$ 681,750

Liabilities and Pledged Assets. List the creditor's name, address and account number for all outstanding debts, including automobile loans, revolving charge accounts, real estate loans, alimony, child support, stock pledges, etc. Use continuation sheet, if necessary. Indicate by (*) those liabilities which will be satisfied upon sale of real estate owned or upon refinancing of the subject property.

LIABILITIES	Monthly Payment & Months Left to Pay	Unpaid Balance
Name and address of Company AMC MTG SVCS 505 CITY PKWY SOUTH # 10 ORANGE, CA 92868 prepay, arearages, 2 months down Acct. no. 8740092648872	$ Payment/Months (3,509) /353	$ 486,471
Name and address of Company AAMES HOME LOAN 350 S GRAND AVE LOS ANGELES, CA 90071 Acct. no. 9412859	$ Payment/Months (1,677)	$ 163,000
Name and address of Company FRD MOTOR CR 12110 EMMET OMAHA, NE 68164 Acct. no. 30170846	$ Payment/Months 550 /34	$ 17,780
Name and address of Company FORD CRED 12110 EMMET OMAHA, NE 68164 Acct. no. 30170874	$ Payment/Months 483 /33	$ 14,744
Name and address of Company NORTH COUNTY CREDIT 17045 VIA DEL CAMPO SAN DIEGO, CA 92127 Acct. no. 48515400	$ Payment/Months 95	$ 1,894
Name and address of Company PROGRESSIVE MGMT SYSTE 1521 W CAMERON AVE FL 1 WEST COVINA, CA 91790 Acct. no. 353	$ Payment/Months	$ 390
Alimony/Child Support/Separate Maintenance Payments Owed to:	$	
Job-Related Expense (child care, union dues, etc.)	$	
Total Monthly Payments	$ 1,148	
Net Worth (a minus b) => $ -40,497	**Total Liabilities b.**	$ 722,247

Schedule of Real Estate Owned (if additional properties are owned, use continuation sheet)

Property Address (enter S if sold, PS if pending sale or R if rental being held for income)		Type of Property	Present Market Value	Amount of Mortgages & Liens	Gross Rental Income	Mortgage Payments	Insurance, Maintenance, Taxes & Misc.	Net Rental Income
4515 Diane Way San Diego, CA 92117		SFR	$ 650,000	$ 301,416	$	$	$	$
		Totals	$ 650,000	$ 301,416	$	$	$	$

List any additional names under which credit has previously been received and indicate appropriate creditor name(s) and account number(s):

Alternate Name	Creditor Name	Account Number

Fannie Mae Form 1003 07/05
CALYX Form Loanapp3 frm 09/05

Page 3 of 5

Borrower [signature]
Co-Borrower

Freddie Mac Form 65 07/05

EXHIBIT "COMP.-A"

VII. DETAILS OF TRANSACTION

a. Purchase price	$
b. Alterations, improvements, repairs	
c. Land (if acquired separately)	
d. Refinance (incl. debts to be paid off)	38,659.00
e. Estimated prepaid items	234.17
f. Estimated closing costs	4,975.00
g. PMI, MIP, Funding Fee	
h. Discount (if Borrower will pay)	
i. Total costs (add items a through h)	41,868.17
j. Subordinate financing	
k. Borrower's closing costs paid by Seller	
l. Other Credits (explain)	
m. Loan amount (exclude PMI, MIP, Funding Fee financed)	43,265.00
n. PMI, MIP, Funding Fee financed	
o. Loan amount (add m & n)	43,265.00
p. Cash from/to Borrower (subtract j, k, l & o from i)	-1,396.83

VIII. DECLARATIONS

If you answer "Yes" to any questions a through i, please use continuation sheet for explanation.

	Borrower Yes	Borrower No	Co-Borrower Yes	Co-Borrower No
a. Are there any outstanding judgments against you?	☐	☑	☐	☑
b. Have you been declared bankrupt within the past 7 years?	☑	☐	☑	☐
c. Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years?	☐	☑	☐	☑
d. Are you a party to a lawsuit?	☐	☑	☐	☑
e. Have you directly or indirectly been obligated on any loan which resulted in foreclosure, transfer of title in lieu of foreclosure, or judgment? (This would include such loans as home mortgage loans, SBA loans, home improvement loans, educational loans, manufactured (mobile) home loans, any mortgage, financial obligation, bond, or loan guarantee. If "Yes," provide details, including date, name and address of Lender, FHA or VA case number, if any, and reasons for the action.)	☐	☑	☐	☑
f. Are you presently delinquent or in default on any Federal debt or any other loan, mortgage, financial obligation, bond, or loan guarantee? If "Yes," give details as described in the preceding question.	☐	☑	☐	☑
g. Are you obligated to pay alimony, child support, or separate maintenance?	☐	☑	☐	☑
h. Is any part of the down payment borrowed?	☐	☑	☐	☑
i. Are you a co-maker or endorser on a note?	☐	☑	☐	☑
j. Are you a U. S. citizen?	☑	☐	☑	☐
k. Are you a permanent resident alien?	☐	☑	☐	☑
l. Do you intend to occupy the property as your primary residence? If "Yes," complete question m below.	☑	☐	☑	☐
m. Have you had an ownership interest in a property in the last three years?	☑	☐	☑	☐
(1) What type of property did you own-principal residence (PR), second home (SH), or investment property (IP)?	PR		PR	
(2) How did you hold title to the home-solely by yourself (S), jointly with your spouse (SP), or jointly with another person (O)?	SP		SP	

IX. ACKNOWLEDGEMENT AND AGREEMENT

Each of the undersigned specifically represents to Lender and to Lender's actual or potential agents, brokers, processors, attorneys, insurers, servicers, successors and assigns and agrees and acknowledges that: (1) the information provided in this application is true and correct as of the date set forth opposite my signature and that any intentional or negligent misrepresentation of this information contained in this application may result in civil liability, including monetary damages, to any person who may suffer any loss due to reliance upon any misrepresentation that I have made on this application, and/or in criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Sec. 1001, et seq.; (2) the loan requested pursuant to this application (the "Loan") will be secured by a mortgage or deed of trust on the property described in this application; (3) the property will not be used for any illegal or prohibited purpose or use; (4) all statements made in this application are made for the purpose of obtaining a residential mortgage loan; (5) the property will be occupied as indicated in this application; (6) the Lender, its servicers, successors or assigns may retain the original and/or an electronic record of this application, whether or not the Loan is approved; (7) the Lender and its agents, brokers, insurers, servicers, successors and assigns may continuously rely on the information contained in the application, and I am obligated to amend and/or supplement the information provided in this application if any of the material facts that I have represented herein should change prior to closing of the Loan; (8) in the event that my payments on the Loan become delinquent, the Lender, its servicers, successors or assigns may, in addition to any other rights and remedies that it may have relating to such delinquency, report my name and account information to one or more consumer reporting agencies; (9) ownership of the Loan and/or administration of the Loan account may be transferred with such notice as may be required by law; (10) neither Lender nor its agents, brokers, insurers, servicers, successors or assigns has made any representation or warranty, express or implied, to me regarding the property or the condition or value of the property; and (11) my transmission of this application as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or my facsimile transmission of this application containing a facsimile of my signature, shall be as effective, enforceable and valid as if a paper version of this application were delivered containing my original written signature.

Acknowledgement. Each of the undersigned hereby acknowledges that any owner of the Loan, its servicers, successors and assigns, may verify or reverify any information contained in this application or obtain any information or data relating to the Loan, for any legitimate purpose through any source, including a source named in this application or a consumer reporting agency.

Borrower's Signature	Date	Co-Borrower's Signature	Date
X [signature]	10/30/06	X [signature]	10/30/06

X. INFORMATION FOR GOVERNMENT MONITORING PURPOSES

The following information is requested by the Federal Government for certain types of loans related to a dwelling in order to monitor the lender's compliance with equal credit opportunity, fair housing and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so. The law provides that a Lender may not discriminate either on the basis of this information, or on whether you choose to furnish it. If you furnish the information, please provide both ethnicity and race. For race, you may check more than one designation. If you do not furnish ethnicity, race, or sex, under Federal regulations, this lender is required to note the information on the basis of visual observation and surname if you have made this application in person. If you do not wish to furnish the information, please check the box below. (Lender must review the above material to assure that the disclosures satisfy all requirements to which the lender is subject under applicable state law for the particular type of loan applied for.)

BORROWER	☑ I do not wish to furnish this information	CO-BORROWER	☑ I do not wish to furnish this information
Ethnicity:	☐ Hispanic or Latino ☐ Not Hispanic or Latino	Ethnicity:	☐ Hispanic or Latino ☐ Not Hispanic or Latino
Race:	☐ American Indian or Alaska Native ☐ Asian ☐ Black or African American ☐ Native Hawaiian or Other Pacific Islander ☐ White	Race:	☐ American Indian or Alaska Native ☐ Asian ☐ Black or African American ☐ Native Hawaiian or Other Pacific Islander ☐ White
Sex:	☐ Female ☑ Male	Sex:	☑ Female ☐ Male

To be Completed by Interviewer	Interviewer's Name (print or type)	Name and Address of Interviewer's Employer
This application was taken by:	Ray Roszkowicz	C&R FINANCIAL INC
☑ Face-to-face interview	Interviewer's Signature / Date	34146 SAN SEBASTIAN AVE
☐ Mail		Murrieta, CA 92563
☐ Telephone	Interviewer's Phone Number (incl. area code)	(P) 951-757-2182
☐ Internet	909-483-4960	(F) 760-513-9068

EXHIBIT "COMP.-A"

Continuation Sheet/Residential Loan Application

Use this continuation sheet if you need more space to complete the Residential Loan Application. Mark B for Borrower or C for Co-Borrower	Borrower: Lowell Labertew	Agency Case Number:
	Co-Borrower: Sandra Labertew	Lender Case Number:

VI. ASSETS AND LIABILITIES

ASSETS	Cash or Market Value	LIABILITIES	Monthly Payment & Months Left to Pay	Unpaid Balance
Name and address of Bank, S&L, or Credit Union		Name and address of Company CAPITAL 1 BK PO BOX 85520 RICHMOND, VA 23285	$ Payt./Mos. 20	$ 390
Acct. no.	$	Acct. No. 52910714		
Name and address of Bank, S&L, or Credit Union		Name and address of Company PROGRESSIVE MGMT SYSTE 1521 W CAMERON AVE FL 1 WEST COVINA, CA 91790	$ Payt./Mos.	$ 267
Acct. no.	$	Acct. No. 948		
Name and address of Bank, S&L, or Credit Union		Name and address of Company MEDICAL	$ Payt./Mos	$ 249
Acct. no.	$	Acct. No. REVHSCR200591		
Name and address of Bank, S&L, or Credit Union		Name and address of Company PROGRESSIVE MGMT SYSTE 1521 W CAMERON AVE FL 1 WEST COVINA, CA 91790	$ Payt./Mos.	$ 206
Acct. no.	$	Acct. No. 373		
Name and address of Bank, S&L, or Credit Union		Name and address of Company PROGRESSIVE MGMT SYSTE 1521 W CAMERON AVE FL 1 WEST COVINA, CA 91790	$ Payt./Mos.	$ 116
Acct. no.	$	Acct. No. 842		
Name and address of Bank, S&L, or Credit Union		Name and address of Company PROGRESSIVE MGMT SYS 1521 W CAMERON AVE FL 1 WEST COVINA, CA 91790	$ Payt./Mos.	$ 81
Acct. no.	$	Acct. No. 6922236		
Name and address of Bank, S&L, or Credit Union		Name and address of Company Arrearages ESTIMATED	$ Payt./Mos.	$ 14,000
Acct. no.	$	Acct. No.		

I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of Title 18, United States Code, Section 1001, et seq.

Borrower's Signature:	Date	Co-Borrower's Signature:	Date
X Lowell Labertew	10/30/06	X Sandra Labertew	10/30/06

EXHIBIT "COMP.-A"

Continuation Sheet/Residential Loan Application

Use this continuation sheet if you need more space to complete the Residential Loan Application. Mark B for Borrower or C for Co-Borrower	Borrower: Lowell Labertew	Agency Case Number
	Co-Borrower: Sandra Labertew	Lender Case Number:

VI. ASSETS AND LIABILITIES

ASSETS	Cash or Market Value	LIABILITIES	Monthly Payment & Months Left to Pay	Unpaid Balance
Name and address of Bank, S&L, or Credit Union		Name and address of Company Truck Loan ESTIMTED	$ Payt./Mos	$
Acct. no.	$	Acct. No.		22,659
Name and address of Bank, S&L, or Credit Union		Name and address of Company	$ Payt./Mos.	$
Acct. no.	$	Acct. No.		
Name and address of Bank, S&L, or Credit Union		Name and address of Company	$ Payt./Mos.	$
Acct. no.	$	Acct. No.		
Name and address of Bank, S&L, or Credit Union		Name and address of Company	$ Payt./Mos.	$
Acct. no.	$	Acct. No.		
Name and address of Bank, S&L, or Credit Union		Name and address of Company	$ Payt./Mos.	$
Acct. no.	$	Acct. No.		
Name and address of Bank, S&L, or Credit Union		Name and address of Company	$ Payt./Mos.	$
Acct. no.	$	Acct. No.		
Name and address of Bank, S&L, or Credit Union		Name and address of Company	$ Payt./Mos.	$
Acct. no.	$	Acct. No.		

I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of Title 18, United States Code, Section 1001, et seq.

Borrower's Signature:	Date	Co-Borrower's Signature:	Date
X Lowell Labertew	10/30/06	X Sandra Labertew	10/30/06

Fannie Mae Form 1003 07/05
CALYX Form 1003 LnapSast.frm 9/05

Page 5 of 5

Freddie Mac Form 65 07/05

EXHIBIT "COMP.-A"

Borrower Signature Authorization

Privacy Act Notice: This information is to be used by the agency collecting it or its assignees in determining whether you qualify as a prospective mortgagor under its program. It will not be disclosed outside the agency except as required and permitted by law. You do not have to provide this information, but if you do not your application for approval as a prospective mortgagor or borrower may be delayed or rejected. The information requested in this form is authorized by Title 38, USC, Chapter 37 (if VA); by 12 USC, Section 1701 et. seq. (if HUD/FHA); by 42 USC, Section 1452b (if HUD/CPD); and Title 42 USC, 1471 et. seq., or 7 USC, 1921 et. seq (if USDA/FmHA)

Part I - General Information

1. Borrower	2. Name and address of Lender/Broker
Sandra Labertew 4515 Diane Way San Diego, CA 92117	C&R FINANCIAL INC 34146 SAN SEBASTIAN AVE Murrieta, CA 92563 TEL: 951-757-2182 FAX: 760-513-9068

3. Date	4. Loan Number	
10/25/2006	RRLABERTEW	

Part II - Borrower Authorization

I hereby authorize the Lender/Broker to verify my past and present employment earnings records, bank accounts, stock holdings, and any other asset balances that are needed to process my mortgage loan application. I further authorize the Lender/Broker to order a consumer credit report and verify other credit information, including past and present mortgage and landlord references. It is understood that a copy of this form will also serve as authorization.

The information the Lender/Broker obtains is only to be used in the processing of my application for a mortgage loan.

Sandra Labertew 10/30/06

Borrower Sandra Labertew / SSN: Date

CalyxForm-cbsa.hp(10/98)

EXHIBIT "COMP.-A"

- To respond to a subpoena or court order, judicial process or regulatory authorities.
- In connection with a proposed or actual sale, merger, or transfer of all or a portion of a business or an operating unit, etc.

In addition, we may provide information about you to our service providers to help us process your applications or service your accounts. Our service providers may include billing service providers. mail and telephone service companies, lenders, investors, title and escrow companies, appraisal companies, etc

We may also provide information about you to our service providers to help us perform marketing services. This information provided to these service providers may include the categories of information described above under "How We Gather Information" limited to only that which we deem appropriate for these service providers to carry out their functions.

We do not provide non-public information about you to any company whose products and services are being marketed unless you authorize us to do so. These companies are not allowed to use this information for purposes beyond your specific authorization.

Opting Out

We also may share information about you within our corporate family of office(s). We may share all of the categories of information we gather about you, including identification information (such as your name and address), credit reports (such as your credit history), application information (such as your income or credit references), your account transactions and experiences with us (such as your payment history), and information from other third parties (such as your employment history).

By sharing this information we can better understand your financial needs. We can then send you notification of new products and special promotional offers that you may not otherwise know about. For example, if you originally obtained a mortgage loan with us, we would know that you are a homeowner and may be interested in hearing how a home equity loan may be a better option than an auto loan to finance the purchase of a new car.

You may prohibit the sharing of application and third-party credit-related information within our company or any third-party company at any time. If you would like to limit disclosures of personal information about you as described in this notice, just check the appropriate box or boxes to indicate your privacy choices.

- [x] Please do not share personal information about me with non-affilliated third-parties.
- [x] Please do not share personal information about me with any of your affiliates except as necessary to effect, administer, process, service or enforce a transaction requested or authorized by myself.
- [x] Please do not contact me with offers of products or services by mail.
- [x] Please do not contact me with offers of products or services by telephone.

Note for Joint Accounts: Your Opt Out choices will also apply to other individuals who are joint account holders. If these individuals have separate accounts, your Opt Out will not apply to those separate accounts.

Lowell Labertew and Sandra Labertew	C&R FINANCIAL INC
Name	Company Name
4515 Diane Way	34146 SAN SEBASTIAN AVE
Address	Address
San Diego, CA 92117	Murrieta CA, 92563
City, State, Zip	City, State, Zip
858-2	951-757-2182
Phone#	Phone #
RRLABERTEW	
Loan #	
Lowell Labertew 10/30/06	Sandra Labertew 10/30/06
Borrower's Signature Date	Co-Borrower's Signature Date

Calyx Form - privacy2 frm (06/05)

EXHIBIT "COMP.-A"

GOOD FAITH ESTIMATE

Applicants: Low[redacted]rtew , Sandra Labertew
Property Addr: 4515 [redacted]Way, San Diego, CA 92117
Prepared By: CIB FUNDING Ph. 951-757-2182
350 RAILROAD CANYON, Lake Elsinore, CA 92532

[redacted]ic: RRLABERTEW
[redacted] Prepared: 11/08/2006
Loan Program:

The information provided below reflects estimates of the charges which you are likely to incur at the settlement of your loan. The fees listed are estimates-actual charges may be more or less. Your transaction may not involve a fee for every item listed. The numbers listed beside the estimates generally correspond to the numbered lines contained in the HUD-1 settlement statement which you will be receiving at settlement. The HUD-1 settlement statement will show you the actual cost for items paid at settlement.

Total Loan Amount $ 43,603 Interest Rate: 12.990 % Term: 6 / 6 mths

				PFC S F POC
800	ITEMS PAYABLE IN CONNECTION WITH LOAN:			
801	Loan Origination Fee	+ $ 3,052.00	$ 3,052.00	
802	Loan Discount			
803	Appraisal Fee			
804	Credit Report		17.00	
805	Lender's Inspection Fee			
808	Mortgage Broker Fee			
809	Tax Related Service Fee			
810	Processing Fee		695.00	✓
811	Underwriting Fee			✓
812	Wire Transfer Fee			
	Doc Fee		500.00	✓
				✓

			PFC S F POC
1100	TITLE CHARGES:		
1101	Closing or Escrow Fee:	$ 75.00	
1105	Document Preparation Fee		
1106	Notary Fees		
1107	Attorney Fees		
1108	Title Insurance:	365.00	

			PFC S F POC
1200	GOVERNMENT RECORDING & TRANSFER CHARGES:		
1201	Recording Fees:	$ 75.00	
1202	City/County Tax/Stamps:		
1203	State Tax/Stamps:		

			PFC S F POC
1300	ADDITIONAL SETTLEMENT CHARGES:		
1302	Pest Inspection	$	

Estimated Closing Costs 4,779.00

				PFC S F POC
900	ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE:			
901	Interest for	16 days @ $ 15.7334 per day	$ 251.73	
902	Mortgage Insurance Premium			
903	Hazard Insurance Premium			
904				
905	VA Funding Fee			

					PFC S F POC
1000	RESERVES DEPOSITED WITH LENDER:				
1001	Hazard Insurance Premium	months @ $	62.00 per month	$	
1002	Mortgage Ins. Premium Reserves	months @ $	per month		
1003	School Tax	months @ $	per month		
1004	Taxes and Assessment Reserves	months @ $	82.59 per month		
1005	Flood Insurance Reserves	months @ $	per month		
		months @ $	per month		
		months @ $	per month		

Estimated Prepaid Items/Reserves 251.73

TOTAL ESTIMATED SETTLEMENT CHARGES 5,030.73

COMPENSATION TO BROKER (Not Paid Out of Loan Proceeds): $

TOTAL ESTIMATED FUNDS NEEDED TO CLOSE:				TOTAL ESTIMATED MONTHLY PAYMENT:	
Purchase Price/Payoff (+)	38,572.00	New First Mortgage(-)		Principal & Interest	3,509.00
Loan Amount (-)	43,603.00	Sub Financing(-)		Other Financing (P & I)	472.00
Est. Closing Costs (+)	4,779.00	New 1st Mtg Closing Costs(+)		Hazard Insurance	62.00
Est. Prepaid Items/Reserves (+)	251.73			Real Estate Taxes	82.59
Amount Paid by Seller (-)				Mortgage Insurance	
				Homeowner Assn. Dues	
				Other	
Total Est. Funds to you			0.27	Total Monthly Payment	4,125.59

✓ This Good Faith Estimate is being provided by CIB FUNDING , a mortgage broker, and no lender has been obtained. These estimates are provided pursuant to the Real Estate Settlement Procedures Act of 1974, as amended (RESPA). Additional information can be found in the HUD Special Information Booklet, which is to be provided to you by your mortgage broker or lender, if your application is to purchase residential real property and the lender will take a first lien on the property. The undersigned acknowledges receipt of the booklet "Settlement Costs," and if applicable the Consumer Handbook on ARM Mortgages.

Applicant Lowell Labertew Date Applicant Sandra Labertew Date

Calyx Form gfe.frm 11/01

EXHIBIT "COMP. B-1"

REC	
RMF	
MICRO	
RTCF	
LIEN	
SMPF	
PCOR	

AND WHEN RECORDED MAIL TO

Name Mr. and Mrs. Rick Wilkes

Street Address 869 Willet Lane

City, State Zip Redmond, OR 97756

APN. 361-790-10

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST WITH ASSIGNMENT OF RENTS

This DEED OF TRUST, made this 8th day of November 2006, between

Lowell Labertew and Sandra Labertew, Husband and Wife as Joint Tenants herein called TRUSTOR, whose address is 4515 Diane Way, San Diego, CA 92117,
(Number and Street) (City) (State) (Zip)

Rick Wilkes and Beverlee Wilkes, herein called TRUSTEE, and

Rick Wilkes and Beverlee Wilkes, Husband and Wife as Joint Tenants, herein called BENEFICIARY,

Trustor irrevocably grants, transfers and assigns to Trustee in Trust, with Power of Sale, that property in the City of San Diego, County of San Diego, California, described as:

LOT 1375 OF CLAIREMONT MESA NO. 16 ACCORDING TO THE MAP THEREOF NO. 5257 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, SEPTEMBER 11, 1963.

APN: 361-790-10

Together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

If the trustor shall sell, convey or alienate said property, or any part thereof, or any interest therein, or shall be divested of his title or any interest therein in any manner or way, whether voluntarily or involuntarily, without the written consent of the beneficiary being first had and obtained, beneficiary shall have the right, at its option, except as prohibited by law, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any note evidencing the same, immediately due and payable.

For the Purpose of Securing (1) payment of the sum of $ 45,015.91 with interest thereon according to the terms of a promissory note or notes of even date, with a maturity year of 2007 herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof; (2) the performance of each agreement of Trustor incorporated by reference or contained herein or reciting it is so secured; (3) Payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

EXHIBIT "COMP. B-2"

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A of that certain Fictitious Deed of Trust referenced herein, and it is mutually agreed that all of the provisions set forth in subdivision B of that certain Fictitious Deed of trust recorded in the book and page of Official Records in the office of the county recorder of the county where said property is located, noted below opposite the name of such county, namely:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	1288	556	Kings	858	713	Placer	1028	379	Sierra	38	187
Alpine	3	130-31	Lake	437	110	Plumas	166	1307	Siskiyou	506	762
Amador	133	438	Lassen	192	367	Riverside	3788	347	Solano	1287	621
Butte	1330	513	Los Angeles	T-3878	874	Sacramento	71-10-26	615	Sonoma	2067	427
Calaveras	185	338	Madera	911	136	San Benito	300	405	Stanislaus	1970	56
Colusa	323	391	Marin	1849	122	San Bernardino	6213	768	Sutter	655	585
Contra Costa	4684	1	Mariposa	90	453	San Francisco	A-804	596	Tehama	457	183
Del Norte	101	549	Mendocino	667	99	San Joaquin	2855	283	Trinity	108	595
El Dorado	704	635	Merced	1660	753	San Luis Obispo	1311	137	Tulare	2530	108
Fresno	5052	623	Modoc	191	93	San Mateo	4788	175	Tuolumne	177	160
Glenn	469	76	Mono	69	302	Santa Barbara	2065	881	Ventura	2607	237
Humboldt	801	83	Monterey	357	239	Santa Clara	6626	664	Yolo	769	16
Imperial	1189	701	Napa	704	742	Santa Cruz	1638	607	Yuba	398	693
Inyo	165	672	Nevada	363	94	Shasta	800	633			
Kern	3756	690	Orange	7182	18	San Diego SERIES 5 Book 1964, Page 149774					

Said agreements, terms and provisions contained in said subdivision A and B, (identical in all counties are printed on the reverse side hereof) are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefore does not exceed the maximum allowed by laws.

The foregoing assignment of rents is absolute unless initialed here, in which case, the assignment serves as additional security.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at this address hereinbefore set forth.

Dated: November 8, 2006

STATE OF CALIFORNIA
COUNTY OF__________________ S.S. }

On__________________ before me,

____

a Notary Public in and for said County and State, personally appeared

____

____

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s), acted, executed the instrument.

WITNESS my hand and official seal.

Signature__________________

Lowell Labertew

Sandra Labertew

(This area for official notorial seal)

DO NOT RECORD

The following is a copy of Subdivision A and B of the fictitious Deed of Trust recorded in each county in California as stated in the foregoing Deed of Trust and incorporated by reference is said Deed of Trust as being a part thereof as if set forth at length therein.

A To protect the security of this Deed of Trust, Trustor agrees:

(1) To keep said property in good condition and repair not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon, not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

(4) To pay: at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed:

(1) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(3) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(4) That upon written request of beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then hereunder. The recitals in such reconveyance of any matter or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

(5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuances of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(6) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby, and the remainder, if any, to the persons legally entitled thereto.

(7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledges, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(9) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

REQUEST FOR FULL RECONVEYANCE
TO Rick Wilkes and Beverlee Wilkes, TRUSTEE:

The undersigned is the legal owner and holder of the note or notes, and of all other indebtedness secured by the foregoing Deed of Trust. Said note or notes, together with all other indebtedness secured by said Deed of Trust, have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note or notes above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Dated_______________________

____
Rick Wilkes

Signature must be notarized

____
Beverlee Wilkes

Please mail Deed of Trust,
Note and Reconveyance to Lowell Labertew and Sandra Labertew, 4515 Diano Way, San Diego, CA 92117_______________________

Do not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.

EXHIBIT "COMP. B-2"

DO NOT DESTROY THIS NOTE: When paid, this Note and the Deed of Trust must be surrendered to the Trustee with Request for Reconveyance.

INSTALLMENT NOTE
(INTEREST ONLY)

$ 45,015.91 San Diego, California, November 8, 2006

In installments and at the times hereinafter stated, for value received **Lowell Labertew and Sandra Labertew, Husband and Wife as Joint Tenants** promise(s) to pay to **Rick Wilkes and Beverlee Wilkes, Husband and Wife as Joint Tenants** or order, at **place designated by payee**, the principal sum of **FORTY FIVE THOUSAND FIFTEEN AND 91/100** Dollars, with interest from **December 1st, 2006** on the amounts of principal remaining from time to time unpaid, until said principal sum is paid, at the rate of **12.9900%** per cent, per annum. INTEREST ONLY PAYMENTS due in monthly installments **FOUR HUNDRED SEVENTY ONE AND 97/100** Dollars, (**$471.97**), on the **1st** day of each and every month, commencing on the **1st** day of **April, 2007**, and continuing until **June 1st, 2007** at which time the entire unpaid principal balance, together with interest due thereon, shall become all due and payable.

This note is subject to Section 2966 of the Civil Code, which provides that the holder of this note shall give written notice to the trustor, or his successor in interest, of prescribed information at least 90 and not more than 150 days before any balloon payment is due.

If the trustor shall sell, convey or alienate said property, or any part thereof, or any interest therein, or shall be divested of his title or any interest therein in any manner or way, whether voluntarily or involuntarily, without the written consent of the beneficiary being first had and obtained, beneficiary shall have the right, at its option, except as prohibited by law, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any note evidencing the same, immediately due and payable.

In the event any payment is not paid within **15** days of the due date, Trustor shall pay to Beneficiary a LATE CHARGE of **10.0000%** in addition to each payment due and unpaid.

Each payment shall be credited first on interest then due and the remainder on principal sum; and interest shall thereupon cease upon the amount so credited on the said principal. Should default be made in payment of any installment when due the whole sum of principal and interest shall become immediately due at the option of the holder of this note. Principal and interest payable in lawful money of the United States of America. Should suit be commenced to collect this note or any portion thereof, such sum as the Court may deem reasonable shall be added hereto as attorney's fees. This note is secured by a Deed of Trust to Rick Wilkes and Beverlee Wilkes as Trustee, affecting the property located at: **4515 Diane Way San Diego, Ca 92117**

Lowell Labertew (signature)
Lowell Labertew

Sandra L. Labertew (signature)
Sandra Labertew

+

EXHIBIT "COMP. B-3"

ADDENDUM TO NOTE DATED NOVEMBER 8, 2006

Borrower's Initials

ARTICLE 1 - PAYMENT TERMS

Borrower agrees to pay sums under this Note as follows:

(a) Three months of prepaid interest shall be paid to Lender as of the date of this Note first set forth above. If the principal amount of this Note is paid prior to the Maturity Date (as defined below), then any unaccrued prepaid interest shall be paid or credited to Borrower as of the date of such prepayment, provided that a minimum of ninety days of accrued interest on the original principal amount must be paid by Borrower regardless of when the principal is paid; and

(b) the balance of the principal sum and all interest thereon on June 1, 2007 (the "Maturity Date").

ARTICLE 2 - INTEREST

The interest rate on this Note is 12.99% per annum (the "Interest Rate"). Interest on the principal sum of this Note shall be calculated by multiplying the actual number of calendar days elapsed in the monthly period for which such interest is payable by a daily rate based on such three hundred sixty (360) day year.

ARTICLE 3 - DEFAULT AND ACCELERATION

If any payment required in this Note is not paid (a) prior to the fifteen (15th) day after such payment is due, (b) on the Maturity Date or (c) on the happening of any other default, after the expiration of any applicable notice and grace periods, herein or under the terms of the Security Instrument (defined below) or any of the Other Security Documents (as defined in the Security Instrument) (collectively, an "Event of Default"), at the option of Lender (i) the whole of the principal sum of this Note, (ii) interest, default interest, late charges and other sums, as provided in this Note, the Security Instrument or the Other Security Documents, (iii) all other monies agreed or provided to be paid by Borrower in this Note, the Security Instrument or the Other Security Documents, (iv) all sums advanced pursuant to the Security Instrument to protect and preserve the Property (defined below) and the lien and the security interest created thereby, and (v) all sums advanced and costs and expenses incurred by Lender in connection with the Debt (defined below) or any part thereof, any renewal, extension, or change of or substitution for the Debt or any part thereof, or the acquisition or perfection of the security therefor, whether made or incurred at the request of Borrower or Lender (all the sums referred to in (i) through (v) above shall collectively be referred to as the "Debt") shall without notice become immediately due and payable.

EXHIBIT "COMP. B-4"

ARTICLE 4 - DEFAULT INTEREST

Borrower agrees that upon the occurrence of an Event of Default, Lender shall be entitled to receive and Borrower shall pay interest on the entire unpaid principal sum at a per annum rate equal to the lesser of (a) TWENTY (20%) plus the Interest Rate or (b) the maximum interest rate which Borrower may by law pay (the "Default Rate"). The Default Rate shall be computed from the occurrence of the Event of Default until the earlier of the date upon which the Event of Default is cured or the date upon which the Debt is paid in full. Interest calculated at the Default Rate shall be added to the Debt, and shall be deemed secured by the Security Instrument. This clause, however, shall not be construed as an agreement or privilege to extend the date of the payment of the Debt, nor as a waiver of any other right or remedy accruing to Lender by reason of the occurrence of any Event of Default.

ARTICLE 5 - LATE CHARGE

If any monthly installment payable under this Note is not paid prior to the fifteenth (15th) day after such payment is due, Borrower shall pay to Lender upon demand an amount equal to the lesser of ten percent (10%) of such unpaid sum or the maximum amount permitted by applicable law to defray the expenses incurred by Lender in handling and processing the delinquent payment (the "Late Charge") and to compensate Lender for the loss of the use of the delinquent payment and the amount shall be secured by the Security Instrument and the Other Security Documents.

ARTICLE 6 - PREPAYMENT; DEFEASANCE

(a) The principal balance of this Note may not be prepaid in whole or in part prior to the date ninety days from the date of this Note. Any time thereafter, the principal balance of this Note may be prepaid in whole, but not in part, upon not less than five (5) days prior written notice to Lender specifying the date on which prepayment is to be made (the "Prepayment Date") and upon payment of:

(i) all accrued interest to and including the Prepayment Date; and

(ii) all other sums due under this Note, the Security Instrument and all other Security Documents.

(b) Lender shall not be obligated to accept any prepayment of the principal balance of this Note unless it is accompanied by all sums due in connection therewith.

ARTICLE 7 - SECURITY

This Note is secured by that certain Deed of Trust and Security Agreement dated November 8, 2007 in the principal sum of $45,015.91 given by Borrower to (or for the benefit of) Lender covering the fee estate of Borrower in certain premises located in San

EXHIBIT "COMP. B-4"

Diego County, State of California, and other property, as more particularly described therein (collectively, the "Property") and intended to be duly recorded in said County (the "Security Instrument"), and by the Other Security Documents.

ARTICLE 8 - LOAN CHARGES

This Note, the Security Instrument and the other Security Documents are subject to the express condition that at no time shall Borrower be obligated or required to pay interest on the principal balance due hereunder at a rate which could subject Lender to either civil or criminal liability as a result of being in excess of the maximum interest rate which Borrower is permitted by applicable law to contract or agree to pay. If by the terms of this Note, the Security Instrument and the Other Security Documents, Borrower is at any time required or obligated to pay interest on the principal balance due hereunder at a rate in excess of such maximum rate, the Interest Rate or the Default Rate, as the case may be, shall be deemed to be immediately reduced to such maximum rate and all previous payments in excess of the maximum rate shall be deemed to have been payments in reduction of principal and not on account of the interest due hereunder. All sums paid or agreed to be paid to Lender for the use, forbearance, or detention of the Debt, shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Note until payment in full so that the rate or amount of interest on account of the Debt does not exceed the maximum lawful rate of interest from time to time in effect and applicable to the Debt for so long as the Debt is outstanding.

ARTICLE 9 - WAIVERS

Borrower and all others who may become liable for the payment of all or any part of the Debt do hereby severally waive presentment and demand for payment, notice of dishonor, protest and notice of protest and non-payment and all other notices of any kind, except for notices expressly provided for in this Note, the Security Instrument or the Other Security Documents. No release of any security for the Debt or extension of time for payment of this Note or any installment hereof, and no alteration, amendment or waiver of any provision of this Note, the Security Instrument or the Other Security Documents made by agreement between Lender or any other person or party shall release, modify, amend, waive, extend, change, discharge, terminate or affect the liability of Borrower, and any other person or entity who may become liable for the payment of all or any part of the Debt, under this Note, the Security Instrument or the Other Security Documents. No notice to or demand on Borrower shall be deemed to be a waiver of the obligation of Borrower or of the right of Lender to take further action without further notice or demand as provided for in this Note, the Security Instrument or the Other Security Documents. If Borrower is a partnership, corporation or limited liability company, the agreements contained herein shall remain in full force and effect, notwithstanding any changes in the individuals or entities comprising the Borrower, and the term "Borrower," as used herein, shall include any alternate or successor entity, but any predecessor entity, and its partners or members, as the case may be, shall not thereby be released from any liability. (Nothing in the foregoing sentence shall be construed as a consent to, or a waiver of, any prohibition or restriction on transfers of interests in Borrower which may be set forth in the Security Instrument or any Other Security Document.)

EXHIBIT "COMP. B-4"

ARTICLE 10 - WAIVER OF TRIAL BY JURY

BORROWER HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER IN CONTRACT, TORT OR OTHERWISE, RELATING DIRECTLY OR INDIRECTLY TO THE LOAN EVIDENCED BY THIS NOTE, THE APPLICATION FOR THE LOAN EVIDENCED BY THIS NOTE, THIS NOTE, THE SECURITY INSTRUMENT OR THE OTHER SECURITY DOCUMENTS OR ANY ACTS OR OMISSIONS OF LENDER, ITS OFFICERS, EMPLOYEES, DIRECTORS OR AGENTS IN CONNECTION THEREWITH.

ARTICLE 11 - AUTHORITY

Borrower (and the undersigned representative of Borrower, if any) represents that Borrower has full power, authority and legal right to execute and deliver this Note, the Security Instrument and the Other Security Documents and that this Note, the Security Instrument and the Other Security Documents constitute valid and binding obligations of Borrower.

ARTICLE 12 - GOVERNING LAW

This Note shall be governed, construed, applied and enforced in accordance with the laws of the State of California.

ARTICLE 13 - NOTICES

All notices required or permitted hereunder shall be given as provided in the Security Instrument.

ARTICLE 14 - INCORPORATION BY REFERENCE

All of the terms, covenants and conditions contained in the Security Instrument and the Other Security Documents are hereby made part of this Note to the same extent and with the same force as if they were fully set forth herein.

ARTICLE 15 - MISCELLANEOUS

(a) Wherever pursuant to this Note it is provided that Borrower pay any costs and expenses, such costs and expenses shall include, but not be limited to: reasonable legal fees and disbursements of Lender, whether with respect to retained firms, the reimbursement for the expenses of in-house staff, or otherwise. Borrower shall pay to Lender on demand any and all expenses, including legal expenses and reasonable attorneys' fees, incurred or paid by Lender in enforcing this Note, whether or not any legal proceeding is commenced hereunder, together with interest thereon at the Default Rate from the date paid or incurred by Lender until such expenses are paid by Borrower.

EXHIBIT "COMP. B-4"

(b) This Note may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

(c) If Borrower consists of more than one person or party, the obligations and liabilities of each person or party shall be joint and several.

(d) Whenever used, the singular number shall include the plural, the plural number shall include the singular, and the words "Lender" and "Borrower" shall include their respective successors, assigns, heirs, executors and administrators.

ARTICLE 16 - CALIFORNIA PROVISIONS

(a) BY INITIALING BELOW, BORROWER EXPRESSLY ACKNOWLEDGES AND UNDERSTANDS THAT, PURSUANT TO THE TERMS OF THIS NOTE, IT HAS AGREED THAT IT HAS NO RIGHT TO PREPAY THE NOTE PRIOR TO THE NINETIETH DAY FOLLOWING THE DATE OF THIS NOTE AND THAT IT SHALL BE LIABLE FOR THE PAYMENT OF THE PREPAYMENT CHARGES FOR PREPAYMENT OF THIS NOTE UPON ACCELERATION OF THIS NOTE IN ACCORDANCE WITH ITS TERMS. FURTHER, BY INITIALING BELOW, BORROWER WAIVES ANY RIGHTS IT MAY HAVE UNDER SECTION 2954.10 OF THE CALIFORNIA CIVIL CODE, OR ANY SUCCESSOR STATUTE, AND EXPRESSLY ACKNOWLEDGES AND UNDERSTANDS THAT LENDER HAS MADE THE LOAN IN RELIANCE ON THE AGREEMENTS AND WAIVER OF BORROWER AND THAT LENDER WOULD NOT HAVE MADE THE LOAN WITHOUT SUCH AGREEMENTS AND WAIVER OF BORROWER.

Borrower's Initials

(b) BORROWER HEREBY ACKNOWLEDGES THAT INTEREST ON THIS NOTE IS TO BE CALCULATED BY LENDER ON THE BASIS OF A THREE HUNDRED SIXTY (360) DAY YEAR AND IS FULLY AWARE THAT SUCH CALCULATIONS MAY RESULT IN AN ACCRUAL AND/OR PAYMENT OF INTEREST IN AMOUNTS GREATER THAN CORRESPONDING INTEREST CALCULATIONS BASED ON A THREE HUNDRED SIXTY-FIVE (365) DAY YEAR.

(c) Borrower recognizes that its default in making any payment as provided herein or in any other Loan Document as agreed to be paid when due, or the occurrence of any other Event of Default hereunder or under any other Loan Document, will require Lender to incur additional expense in servicing and administering the Loan, in loss to Lender of the use of the money due and in

EXHIBIT "COMP. B-4"

frustration to Lender in meeting its other financial and loan commitments and that the damages caused thereby would be extremely difficult and impractical to ascertain. Borrower agrees (a) that an amount equal to the Late Charge plus the accrual of interest at the Default Rate is a reasonable estimate of the damage to Lender in the event of a late payment, and (b) that the accrual of interest at the Default Rate following any other Event of Default is a reasonable estimate of the damage to Lender in the event of such other Event of Default, regardless of whether there has been an acceleration of the Loan. Nothing in this Note shall be construed as an obligation on the part of Lender to accept, at any time, less than the full amount then due hereunder, or as a waiver or limitation of Lender's right to compel prompt performance.

(d) Upon notice from Lender to Borrower of the loss, theft, destruction or mutilation of this Note and, upon receipt of indemnity reasonably satisfactory to Borrower from Lender (except that if the Lender is the holder of this Note, an indemnification from the Lender shall be sufficient) or, in the case of mutilation hereof, upon surrender of the mutilated Note, Borrower will make and deliver a new note of like tenor in lieu of this Note.

Lowell Labertew

Sandra Labertew

EXHIBIT "COMP. B-4"

Law Offices of Deborah L. Raymond
380 Stevens Avenue, Suite 205
Solana Beach, CA 92075
Tel: 858-481-9559
Fax: 858-724-0747

August 18, 2007

SENT VIA FIRST CLASS CERTIFIED U.S. MAIL, RETURN RECEIPT REQUESTED
Certified Receipt# 7006 2150 0003 6678 7233

Rick & Beverlee Wilkes
869 Willet Lane
Redmond, OR 97756

Re: Lowell Labertew & Sandra Labertew
Property Address: 4515 Diane Way, San Diego, California 92117
APN#: 361-790-10
Loan Transaction date November 8, 2006
NOTICE OF RESCISSION OF LOAN TRANSACTION HELD BY RICK WILKES and BEVERLEE WILKES

Dear Sir or Madam:

This office represents Lowell and Sandra Labertew in their claims against Rick Wilkes and Beverlee Wilkes, and their agents, and/or the holder/owner of the note for the above referenced loan transaction (hereinafter referred to as "Creditor"). Enclosed is a copy of a Letter of Designation And Authorization signed by my clients. All further communications must be directed to this office only. The debt associated with the above referenced loan transaction is hereby disputed.

NOTICE OF RESCISSION OF MORTGAGE

Consumers, Lowell Labertew and Sandra Labertew (hereinafter referred to as "Consumers"), base the following upon the understanding that Creditor is subject to the Truth In Lending Act (hereinafter "TILA"), and hereby exercise their rights under the Truth In Lending Act (15 U.S.C. §1601 et seq.), Regulation Z (12 C.F.R. § 226.1 et seq.). and related statutes and California state laws, which may include, without limitation, HOEPA, RESPA and California

EXHIBIT "COMP. C"

Finance Lenders laws, to rescind the above referenced loan. Without limitation, Consumers base their right to rescind upon the fact that required disclosures pursuant to 15 USC §1601 et seq. were not provided to the Consumers, including but not limited to, two copies each of a Notice of Right To Cancel containing all required information.

We are prepared to discuss a tender obligation, should it arise, and satisfactory ways in which my clients may meet this obligation. Please be advised that if you do not cancel the security interest and return all consideration paid by my clients within 20 days of receipt of this letter, you could be responsible for actual and statutory damages pursuant to 15 U.S.C. § 1640(a).

Request is made for all signed and/or unsigned copies of the following documents, if they exist, relating to the above referenced loan transaction:

1. Notice of Right to Cancel;
2. HUD-1 Disclosure;
3. Truth In Lending Act Disclosures;
4. The Entire Note;
5. Deed of Trust;
6. All riders to any of the above documents;
7. Disclosures pursuant to 15 U.S.C. §1639;
8. A History of Payments and other document showing the loan disbursements, loan charges, payments made, and current principal balance due;
9. The Entire Loan Application File; and
10. All correspondence.

Request is also made for an immediate written description of all information, data, or other documentation that you believe would disprove that this loan transaction is in violation of TILA, RESPA, and/or California Finance Lenders laws and subject to rescission.

Your immediate attention to this matter is demanded.

Sincerely,

Deborah L. Raymond

Deborah L. Raymond
Attorney for Lowell & Sandra Labertew

EXHIBIT "COMP. C"

WE WISH TO RESCIND/CANCEL THE LOAN TRANSACTION DATED NOVEMBER 8, 2006 BETWEEN LOWELL LABERTEW and SANDRA LABERTEW, ON THE ONE HAND, AND RICK WILKES and BEVERLEE WILKES, ON THE OTHER, in which a security interest was acquired in the property located at 4515 Diane Way, San Diego, CA 92117. A signed photocopy or facsimile of this wish to Rescind/Cancel shall have the same force and/or effect as a signed original.

Dated: 8/18/07

[signature]

Lowell Labertew

Dated: 8/18/07

[signature]

Sandra Labertew

Page 3 of 3

EXHIBIT "COMP. C"

Law Offices of Deborah L. Raymond
380 Stevens Avenue, Suite 205
Solana Beach, CA 92075
Tel: 858-481-9559
Fax: 858-724-0747

LETTER OF DESIGNATION AND AUTHORIZATION

To Whom It May Concern:

Re: Lowell & Sandra Labertew

Please be advised that I have retained the Law Offices of Deborah L. Raymond to represent my interests. I hereby authorize the Law Offices of Deborah L. Raymond to represent my interests, including, but not limited to, communicating, negotiating, and otherwise dealing with my loan, previously or currently held by Rick Wilkes and Beverlee Wilkes, and all parties associated with said loan, including without limitation, Ray Roszkowicz, CIB Funding, assigns, creditors, collectors, collection agencies, credit reporting agencies, attorneys, and all Federal, State, and local government agencies, as may be required in her representation of me. Except, this authorization does not authorize the Law Offices of [illegible] Raymond to [illegible] service of any summons and/or [illegible] on my behalf.

Also, by signing below, I authorize any credit reporting agencies, credit reporting bureaus, collector, creditor, doctor, chiropractor, hospital, any other healthcare provider, employer, police agency, government agency, or any other person to whom a signed photocopy or facsimile of this authorization is delivered, to furnish any information, documents, reports or copies of records which may be requested by the Law Offices of Deborah L. Raymond.

Date: 5/08/07 Signed: Lowell Labertew

Date: 5/08/07 Signed: Sandra Labertew

EXHIBIT "COMP. C"

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com®

REDMOND OR 97756

7006 2150 0003 6678 7233

Postage	$ $0.41	0024
Certified Fee	$2.65	18
Return Receipt Fee (Endorsement Required)	~~$0.85~~ 2.15	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total Postage & Fees	$ ~~$3.91~~ 5.21	08/18/2007

Sent To: Rick & Beverlee Wilkes

Street, Apt. No.; or PO Box No.: 869 Willet Lane

City, State, ZIP+4: Redmond, OR 97756

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Rick & Beverlee Wilkes
869 Willet Lane
Redmond, OR
97756

COMPLETE THIS SECTION ON DELIVERY

Labestew

A. Signature
X [signature] ☐ Agent ☑ Addressee

B. Received by (Printed Name): RICK WILKES

C. Date of Delivery: 8-22-07

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☑ No

3. Service Type
☑ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label): 7006 2150 0003 6678 7233

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1540

EXHIBIT "COMP. C"

NOTICE OF RIGHT OF RESCISSION

Mortgage on Property Situated at 4515 Diane Way San Diego, Ca 92117

Notice of Customer Required by Federal Law:

You have entered into a transaction on November 9th, 2006 which may result in a lien, mortgage or other security interest on your home. You have a legal right under federal law to cancel this transaction, if you desire to do so, without any penalty, or obligation, within three business days from the above date or any later date on which all material disclosures required under the Truth in Lending Act have been given to you.

If you cancel the transaction, any lien, mortgage or other security interest on your home arising from this transaction is automatically void. You are also entitled to receive a refund of any down payment or other consideration if you cancel. If you decide to cancel this transaction, you may do so by notifying:
Rick & Beverlee Wilkes at 869 Willet Lane Redmond, Oregon 97756 by mail, Fax 541-316-1168 or telegram sent no later than midnight of November 13th, 2006. You may also use any other form of written notice identifying the transaction if it is delivered to the above address no later than that time. This notice may be used for that purpose by dating and signing below.

I hereby cancel this transaction.

______________________ ______________________

Lowell Labertew (Date)

______________________ ______________________

Sandra Labertew (Date)

Receipt is herewith acknowledged of the foregoing:

I/We the undersigned customers having received two copies thereof, and one copy of the Disclosure Statements concerning the above identified transaction this 9th day of November , 2006.

Lowell Labertew (signature) Sandra L. Labertew (signature)

Lowell Labertew Sandra Labertew

(Issue two copies to customer)

EXHIBIT "COMP. D-1"

TRUTH-IN-LENDING DISCLOSURE STATEMENT

(THIS IS NEITHER A CONTRACT NOR A COMMITMENT TO LEND)

Applicants:	Lowell Labertew Sandra Labertew	Prepared By:	CIB FUNDING 350 RAILROAD CANYON Lake Elsinore, CA 92532 951-245-8800
Property Address:	4515 Diane Way San Diego, CA 92117		
Application No:	RRLABERTEW	Date Prepared:	11/08/2006

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	AMOUNT FINANCED	TOTAL OF PAYMENTS
The cost of your credit as a yearly rate	The dollar amount the credit will cost you	The amount of credit provided to you or on your behalf	The amount you will have paid after making all payments as scheduled
• 18.776 %	$ • 4,028.82	$ • 42,405.00	$ • 46,431.82

☐ REQUIRED DEPOSIT: The annual percentage rate does not take into account your required deposit

PAYMENTS: Your payment schedule will be:

Number of Payments	Amount of Payments **	When Payments Are Due	Number of Payments	Amount of Payments **	When Payments Are Due	Number of Payments	Amount of Payments **	When Payments Are Due
		Monthly Beginning:			Monthly Beginning:			Monthly Beginning:
5	471.97	01/01/2007						
1	44,071.97	06/01/2007						

☐ DEMAND FEATURE: This obligation has a demand feature.

☐ VARIABLE RATE FEATURE: This loan contains a variable rate feature. A variable rate disclosure has been provided earlier.

CREDIT LIFE/CREDIT DISABILITY: Credit life insurance and credit disability insurance are not required to obtain credit, and will not be provided unless you sign and agree to pay the additional cost

Type	Premium	Signature	
Credit Life		I want credit life insurance.	Signature:
Credit Disability		I want credit disability insurance.	Signature:
Credit Life and Disability		I want credit life and disability insurance.	Signature:

INSURANCE: The following insurance is required to obtain credit:

☐ Credit life insurance ☐ Credit disability ☐ Property insurance ☐ Flood insurance

You may obtain the insurance from anyone you want that is acceptable to creditor

☐ If you purchase ☑ property ☐ flood insurance from creditor you will pay $ for a one year term.

SECURITY: You are giving a security interest in: 4515 Diane Way, San Diego CA 92117

☐ The goods or property being purchased ☑ Real property you already own.

FILING FEES: $ 75.00

LATE CHARGE: If a payment is more than 15 days late, you will be charged 10.000 % of the payment

PREPAYMENT: If you pay off early, you

☑ may ☐ will not have to pay a penalty.

☐ may ☑ will not be entitled to a refund of part of the finance charge.

ASSUMPTION: Someone buying your property

☐ may ☐ may, subject to conditions ☑ may not assume the remainder of your loan on the original terms.

See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date and prepayment refunds and penalties

☑ * means an estimate ☑ all dates and numerical disclosures except the late payment disclosures are estimates.

* * NOTE: The Payments shown above include reserve deposits for Mortgage Insurance (if applicable), but exclude Property Taxes and Insurance.

THE UNDERSIGNED ACKNOWLEDGES RECEIVING A COMPLETED COPY OF THIS DISCLOSURE.

Lowell Labertew (Applicant) 11/9/06 (Date)

Sandra Labertew (Applicant) 11/09/2006 (Date)

(Applicant) (Date)

(Applicant) (Date)

(Lender) (Date)

Calyx Form - til.hp (02/95)

EXHIBIT "COMP. D-2"